HOW WE LOST ANOTHER MARKET TO THE JAPANESE

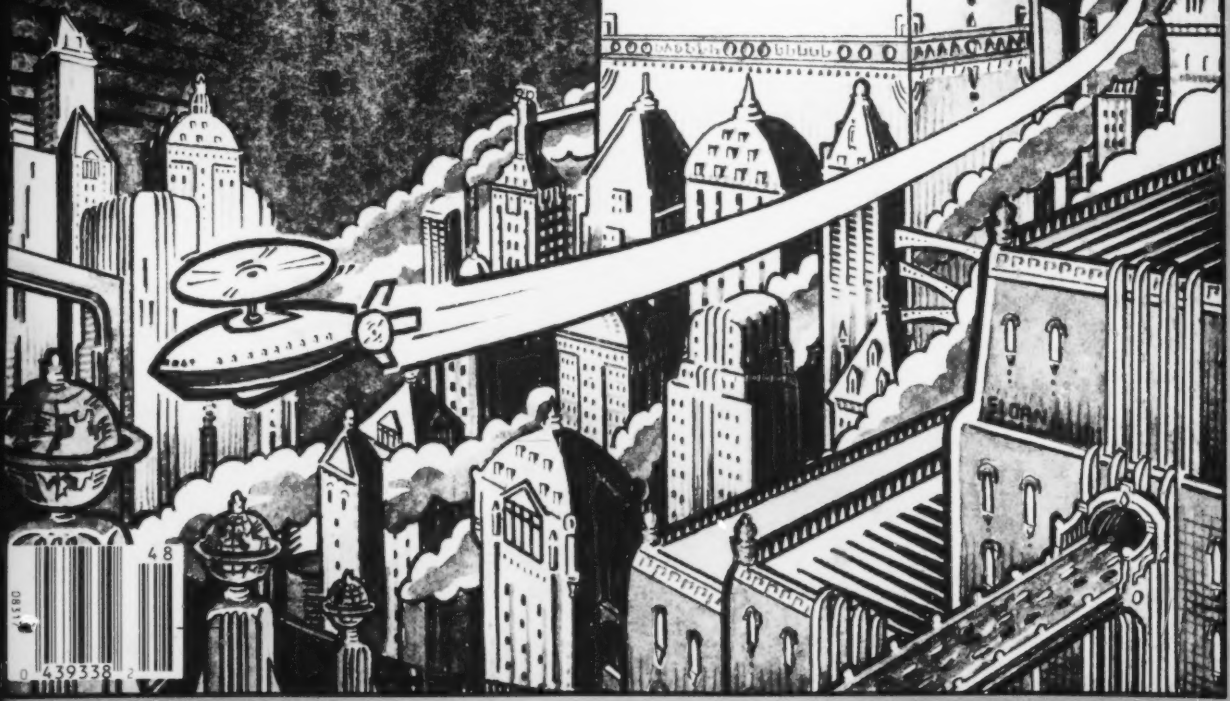
A TAX LOOPHOLE CONGRESS DIDN'T CLOSE

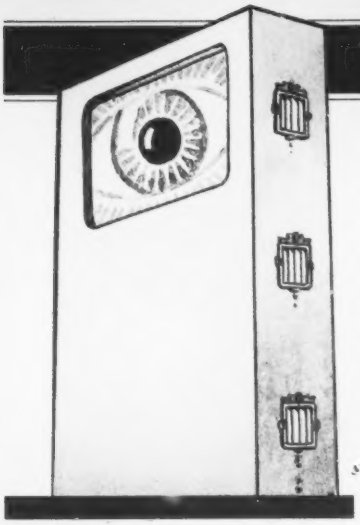
TANDY CORP.— AN UNDERVALUED JEWEL?

Forbes

DON'T DUMP YOUR COMPUTER STOCKS

IMAGE PROCESSING WILL EXPAND THE MARKET EXPLOSIVELY IN THE NINETIES





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THE EDITORIAL INDEX OF COMPANIES REFERRED TO IN THIS ISSUE IS ON PAGES 6 AND 7.

ON THE COVER

257 Computers/Communications: Computers' New Frontier
By David Churbuck
Image handling needs big computers, and images are the future of a business on the threshold of new growth.

154 How We Lost Another Market To The Japanese
By Andrew Tanzer
Japan is remaking the face of Asia. Where are the Americans?

170 Taxing Matters: A Tax Loophole Congress Didn't Close
By Janet Novack
Tax-shelter salesmen have discovered the charitable remainder trust.

191 Tandy Corp.
By Alyssa A. Lappen
It is not easily understood but it is very profitable.

COMPANIES

36 Hewlett-Packard
By Kathleen K. Wiegner
Why David Packard, 78, is back.

37 McGraw-Hill
By Suzanne L. Oliver
A publishing company is not an information turbine.

39 Lockheed
By Howard Banks
It's worrying about the wrong thing.

40 Deutsche Bank
By Peter Fuhrman
Is it about to sell some holdings?

42 GTE
By James R. Norman
The attractions of the heavily regulated local phone business.

56 Cypress Semiconductor
By Julie Pitta
Silicon Valley's gadfly, T. J. Rodgers.

64 Borg-Warner
By Marcia Berss
It has steered clear of trouble.

67 Eastman Kodak
By Seth Lubove
Does it finally have its act together?

74 The Up & Comers: Ventura Entertainment Group
By Lisa Gubernick
Low-cost quality movies for television. Also: Biocraft Laboratories; Del Laboratories.

94 MGM Grand Inc.
By Ralph King Jr.
Kirk Kerkorian's latest venture.

164 McCormick
By Dana Wechsler Linden
The spice people's recipe for success.

36 *Too much paternalism?*

100 *Taking the measure of nonprofits*

166 Browning-Ferris
By Ruth Simon
Problems at the garbage giant.

198 Republic New York Corp.
By Alyssa A. Lappen
Banker Edmond Safra believes that money lent should be money repaid.

202 Harleysville National Bank
By Jason Zweig
It grows like a weed, profitably.

206 J.B. Hunt Transport
By John Harris
Growth will be harder to come by.

211 Starbucks Coffee Co.
By John Harris
Cashing in on a search for quality.

224 Mail Boxes Etc.
By Julie Schlax
Nipping at the heels of the U.S. Postal Service.

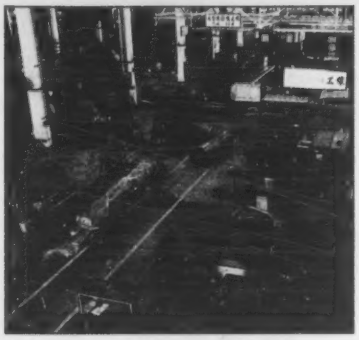
NONPROFIT ORGANIZATIONS

100 Businessmen With Halos
By James Cook
Introducing the Forbes Nonprofit 500. They're not so nonprofit after all.

INDUSTRIES

48 Beverages
By John Marcom Jr.
Coca-Cola and Pepsi aim to get Europeans to consume more soft drinks.

50 Telephone
By Fleming Meeks
Cellular phone stocks have bombed. The bad news isn't over.



154 *Japan in the western Pacific*

148 Retailing
By Paul Klebnikov
Sears Chairman Ed Brennan could learn from his younger brother.

167 Transportation
By James Cook
Railroads are headed for trouble again.

218 Oilfield Equipment
By James R. Norman
Junkman John Cassidy is cleaning up on used oilfield equipment.

INTERNATIONAL

116 Poland: An Interview With Senator Andrzej Machalski
By Katarzyna Wandycz
Having cast off its Soviet masters, Poland has its most difficult days ahead.

144 France: A Threat For American Steel
By Laura Jereski
French industrialist Francis Mer wants to reshape the steel industry.

234 Russia: Opportunities Out East
By Vladimir Kvint
Business opportunities are nine time zones away from Moscow.

TAXING MATTERS

171 America Bashing
By Roula Khalaf
If the IRS heeds politicians and goes after Japanese multinationals, who will be hurt?

INVESTING

225 Nibbling On Junk
By Matthew Schifrin
Some battered junk bonds are backed by solid businesses and yield 20%.

242 Statistical Spotlight: Recovery In Sight?
By Gilbert Steedley
Earnings forecasts for the 30 Dow stocks have a rosy glow.

298 The Funds: Take It Or Leave It
By Michael Fritz
Why should mutual fund customers have it better than bank depositors? Also: The view from Rotterdam.

316 Streetwalker
Trend analysis; commodities corners; Smith's Food & Drug Centers; retail stocks; commodity chemicals.

ON THE DOCKET

247 Disorder In The Courts
By Brigid McMenamin
Do bankruptcy litigants have the right to a jury trial in federal court? Also: Policing $1 trillion.

MARKETING

251 Three-Star Brands
By John Marcom Jr.
How to market a gourmet restaurant.

SCIENCE & TECHNOLOGY

268 Contraception Lives
By Reed Abelson
J&J's Ortho Pharmaceutical is one of few still researching contraceptives.

270 Quad Sound, Reincarnated
By Manjeet Kripalani
A bassoonist's formulas make a comeback. Also: Commentary by Peter Huber.

PERSONAL AFFAIRS/CAREERS

278 Becoming One's Own Man
By Richard Phalon
From Wall Street to the pastures of Ireland. Also: Paul Mellon's troubles selling art.

284 Beyond The Slammer
By Dyan Machan with Graham Button
Bernie Cornfeld, Peter Brant and others tell how to rebuild a career.

218 *No boss, no banker, no wife*

DEPARTMENTS

8 Side Lines
10 Follow-Through
14 The Informer
16 Readers Say
19 Fact and Comment
24 Other Comments
29 Commentary
319 Flashbacks
320 Thoughts

COLUMNISTS

141 Michael Novak
266 Richard A. Shaffer
276 Peter Huber
303 Ben Weberman
304 Kenneth L. Fisher
306 Mark Hulbert
308 A. Gary Shilling
312 Frederick E. Rowe Jr.
313 Alan Reynolds

MONEY & INVESTMENTS

33 What's Ahead For Business
34 The Forbes Index
295 The Forbes Wall Street Review
296 Industry Review

FACES BEHIND THE FIGURES

290 **Peter Ueberroth,** *Contrarian Group*
290 **Hicks Waldron,** *Boardroom Consultants*
291 **Carl Hahn,** *Volkswagen*

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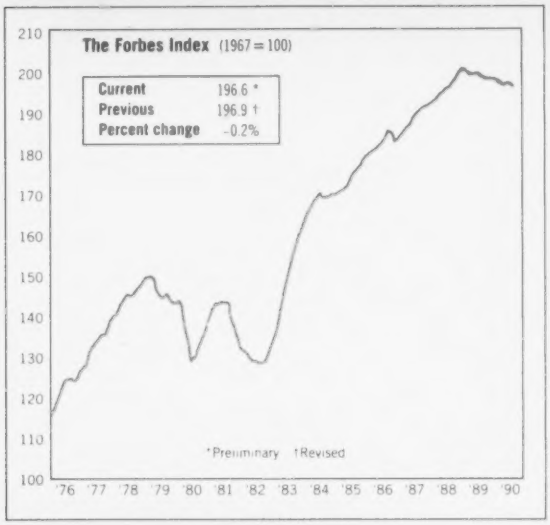
The Forbes Index



The preliminary figure for GNP shows a surprisingly strong 1.8% annualized rate of real growth in the third quarter. But preliminary results are often revised. In the second quarter growth was initially reported at 1.2%, but this was subsequently revised to only 0.4%. Retail sales (which include gasoline) were strong in September, up 1.1% from August, but for an unpleasant reason: higher fuel prices. And with wage income in September up only 0.6% from August, the savings rate fell to 3.5% of disposable personal income in September, the lowest in nearly three years.

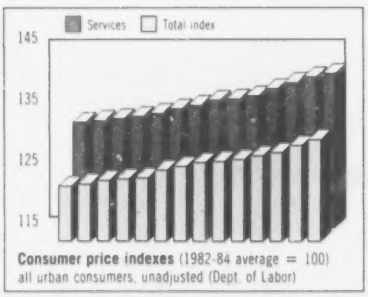
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	-4.2%
Index of leading indicators September vs. August	Dept of Commerce	-0.8%
Trade balance 12 months ended August 1990	Dept of Commerce	-$100 bil
Producer price index September vs. 1989[2]	Dept of Labor	5.9%
GNP 3rd quarter vs. 2nd—annualized growth	Dept of Commerce	1.8%
NBER Experimental Recession Probability Index[3]	Natl Bureau of Economic Research	6.0%

[1]U.S.-based manufacturers, excludes imports, as of 10/20/90. [2]Finished goods. [3]September 1990.

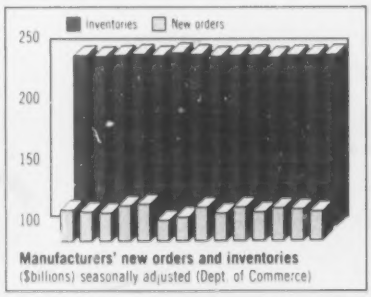
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

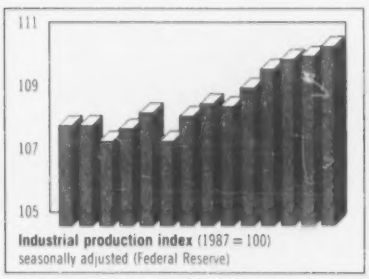
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)

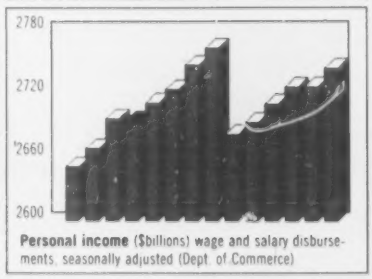


Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)

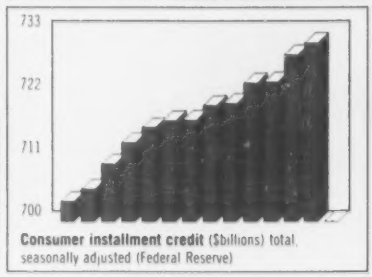
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)

Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Introducing the Forbes Nonprofit 500. A group that turns out to be not so nonprofit after all.

Businessmen with halos

By James Cook

With Congress scraping the bottom of the barrel for new revenue sources, one of the most sacred of all cows—the nonprofit sector—may be called upon next to help meet the growing cost of government.

Untaxed and effectively unregulated, the nonprofits command well-nigh universal reverence, respect and unprecedented power in the economy.

And that power is growing. The number of nonprofit institutions rose almost 15% during the decade ending in 1987, to 1.3 million, while the number of charitable nonprofits rose nearly 40%. This highly fragmented sector—which includes hospitals, universities, credit unions, cooperatives and charitable institutions—already accounts for well over $750 billion in annual revenues, or about 15% of the gross national product.

What organizations compose this potent, if little scrutinized, part of the economy? What do they do? Who runs them? With this issue, we introduce the Forbes 500 List of Nonprofit Organizations. Beyond showing the breadth and depth of the sector, the lists show that the nonprofits are good at making money. With very few exceptions, revenues handily exceed expenses. Even among those enterprises that give most of their services away, in fact, there is usually plenty of retained excess. Farmland Industries, for instance, an agricultural cooperative, netted $99 million last year, the Mayo Foundation $167 million, and the American Red Cross $35 million.

The nonprofits' biggest advantage is the exemption of their profits from federal and other levels of taxation. But there are other advantages. For example, many nonprofits are able to use the mails at two-thirds of what it costs their for-profit counterparts.

The nonprofit designation is itself a powerful marketing tool. These institutions come armed with what the for-profit sector calls the halo effect: Because of the purity and nobility of their goals, most people expect them to provide superior quality and services.

Combine these commercial advantages with the nonprofits' recent rapid growth, and the result is a significant confrontation with private for-profit businesses on terms that are not only unfair but also probably economically destructive.

The electric utilities used to complain about competition from the electric cooperatives. The banks and the for-profit hospitals still gripe about nonprofit credit unions and hospitals. But these days the loudest complaints are coming from small businesses. They have a sympathetic ear: Since the early Eighties the Small Business Administration under the instigation of Frank Swain, its former chief counsel for advocacy, has been pressuring Congress to do something about nonprofit competition.

"Allowing nonprofits to compete on the backs of for-profit businesses is not where our economy is best served," argues John Satagaj, president of the Small Business Legislative Council in Washington, D.C. "It's just not the most efficient use of the system."

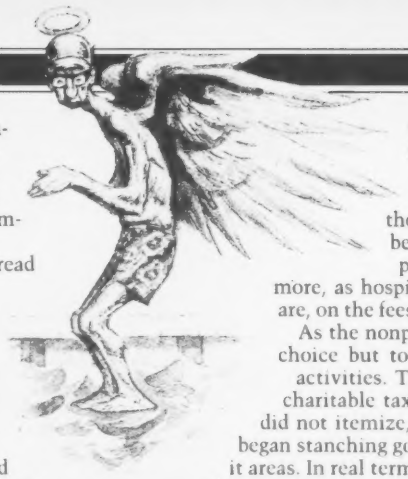
Why should *Nation's Business*, a magazine published by the nonprofit U.S. Chamber of Commerce, be tax-exempt when Forbes, *Fortune* and *Business Week* aren't? Why are Ocean Spray Cranberries and Land O'Lakes tax-exempt, when competitors Kraft and Del Monte aren't? Northern Virginia Electric is tax-exempt; neighboring Dominion Resources is not.

In practice if not in theory, Congress has tended to view the tax exemption as a sort of for-profit incubator. It uses the exemption to encourage the development of services that the for-profit economy is incapable of producing. The tendency is then to withdraw the exemption once the nonprofit becomes indistinguishable from for-profit institutions.

Thus Congress ended the tax exemption on mutual life insurance companies in 1942, on savings and loans and mutual savings banks in 1951. It began taxing unrelated business income in 1950, and in 1986 it moved on to tax the large mutual fire and casualty insurance companies and outfits like Blue Cross/Blue Shield.

And nowadays there's talk about ending the exemption for credit unions, hospitals and electric cooperatives, as

Illustrations by Peter deSève



well as proposals to tax corporate contributions to employee benefit funds. Mail discounts alone cost the Postal Service over $450 million in revenue last year, revenue which Congress and taxpayers in general compensate it for.

The services the nonprofits provide are spread across the full spectrum of human needs, from the cradle to the grave—from birth control and child care to health insurance and burial societies. Nonprofit labor unions set the terms under which many Americans work. Nonprofit credit unions finance their consumer and housing needs. Nonprofit cooperatives put food on their tables and light their lives. The permutations go on and on.

Without anyone's paying much attention, many nonprofits have become household words: Ocean Spray and Sunkist, Underwriters Laboratories and Harvard University, *National Geographic* and *Modern Maturity*, the Mayo Clinic, the AFL-CIO and the National Football League. Each produces an economic good or service, in actual or potential competition with a for-profit producer.

Some nonprofits—like chambers of commerce, lodges and labor unions—are membership organizations and live off their membership fees. Others are quasi-business organizations producing services for a fee—electric power, agricultural marketing, health care. Still others, the conventional charitable nonprofits, depend on the donations of individual, foundation and government supporters. And then others fall somewhere in between, donor-supported in part but dependent more and more, as hospitals, colleges and universities are, on the fees they charge for their services.

As the nonprofits see it, they've had little choice but to increase their fee-generating activities. The 1986 tax reform ended the charitable tax deduction for taxpayers who did not itemize, while the Reagan presidency began stanching government funding in nonprofit areas. In real terms, federal government support of nonprofit enterprises (exclusive of Medicare and Medicaid) fell 20% in the Eighties, and as it did the nonprofits began beating the bushes for other sources of income. Program service fees and other revenues went from 71% of the total in 1975 to 81% by 1982, and since then have continued to mount.

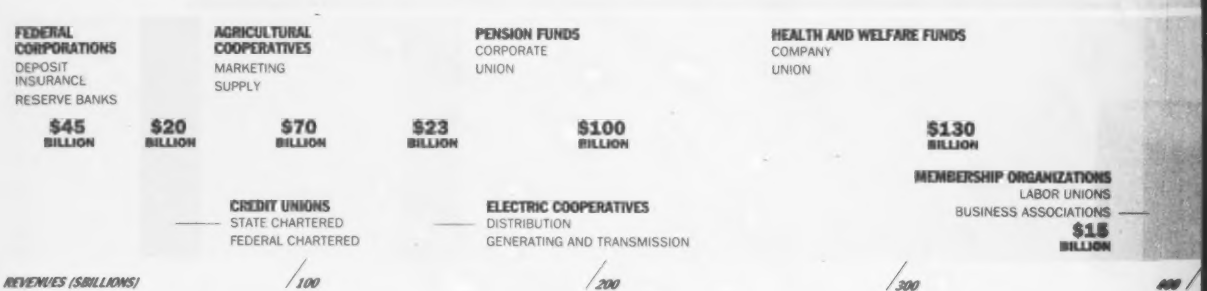
The major thrust has been into new businesses, sometimes directly related, sometimes much less so. Colleges and universities, for example, have long sold books, souvenirs, T shirts and toiletries in their nonprofit (but profitable) college stores. But in recent years they have been peddling travel tours, audiovisual materials, research facilities, computers and computer software.

The American Association of Retired Persons, one of the largest membership organizations in the U.S., even markets the halo. Under the AARP label, it offers its members such services as prescription drugs, homeowners' insurance, mutual funds, motoring and travel services and, until recently, a credit union membership. As it happens, most of these services are provided not by AARP but by outsiders who pay AARP for access to its membership.

Nonprofit institutions are exempt from the Robinson-Patman Act, which requires suppliers to sell goods without discrimination at the

From churches to credit unions: the dimensions of the nonprofit economy

The nonprofit economy is so vast, so diverse and so pervasive it almost escapes detection. Nobody monitors the whole, and to capture it you have to tap a wide range of not wholly compatible resources. Some segments like the electric cooperatives and the pension and health and welfare funds are closely monitored by government agencies, others by industry consultants, or by Independent Sector. Of the rest, most, but not all, simply file tax returns with the Internal Revenue Service. As a result, the dimensions of the nonprofit economy detailed below represent a mixture of solid statistics, informed estimates, and seat-of-the-pants guesstimates. What emerges, however, is a distinct third sector of the American economy and one unique among the capitalist societies of the Western World.



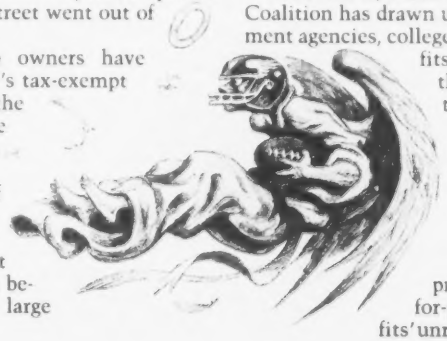
Sources: Independent Sector, Department of Labor, National Federal Credit Union Association, AAFR Trust for Philanthropy, National Cooperative Business Association, Internal Revenue

same price to all customers. In other words, nonprofits can buy their supplies cheaper than their for-profit competitors. One result of this exemption is that colleges and universities frequently sell computer equipment and software at ruinously low prices. One computer dealer complains that one IBM computer retails in the education market at the same price the dealer has to pay wholesale, while the list price of an IBM monochrome monitor was actually $15 less than the wholesale price.

The University of Kansas and Kansas State University sold $3.5 million in computers and related items in fiscal 1988 and 1989—and 10% of them went to nonuniversity customers. According to Connecting Point, a local for-profit Kansas computer center, its sales fell 91% in two years once the state universities went into the business. When Connecting Point cut its prices back to compete, the universities cut back even further. The competition was good for consumers but terrible for the U.S. Treasury.

The Young Men's Christian Association has traditionally concentrated on providing residences for transients and gymnasiums for young people, especially the underprivileged. Recently, however, the Y has begun opening fancy health clubs, built with tax-free money, and offering services that the for-profit health clubs are hard put to meet. According to one calculation, the Y's have a 25% to 33% cost advantage over the commercial health clubs. Once the Oakland, Calif. YMCA opened its health club in 1986, it was only a matter of time before the 50-year-old private taxpaying health club down the street went out of business.

The commercial health club owners have fought back by challenging the Y's tax-exempt status in several states around the country, but in the end they have been unsuccessful almost everywhere. The Y's argue that their job is to serve the needs of the community and not just the poor. The problem isn't simply that of for-profit and nonprofit competition; it's the competition between small business and any large competitor.



Nobody is so crass as to complain about Goodwill Industries' selling below-cost goods made by disabled workers, or about the Girl Scouts' selling cookies. But complaints from struggling for-profit business people are increasing as a host of other nonprofit competitors use their tax and other advantages to compete unfairly. Veterinarians fret about the competition from animal shelter clinics. Hearing-aid retailers are up in arms against hospitals and clinics. Even the Lake Tahoe Wedding Chapel Association complains that the $15 the local county clerks charge for a wedding ceremony undercuts the $100-and-up service offered by the chapels.

Since 1950 the nonprofits have been required to pay taxes on any unrelated business income they generate. But somehow that never amounts to much. The U.S. Chamber of Commerce, for instance, does everything it can to avoid paying taxes on the advertising revenues generated by *Nation's Business*. "If you get into the black," explains the Chamber's president, Richard L. Lesher, "you spread the overhead around a ways, so you don't show too much profit—you know how that works."

The macroresult is that, though 30,000 nonprofits file tax returns for their unrelated business activities, total tax receipts amount to not much over $130 million a year.

"The nonprofit gets to decide whether a business is related or unrelated," gripes Kenton Pattie, a founder of the Business Coalition for Fair Competition, "and then pays the taxes on that business. They've taken the position, if the IRS doesn't like it, come and convince us we're wrong." The Coalition has drawn up a bill that would prohibit government agencies, colleges and universities and other nonprofits from providing goods and services that can be obtained from private enterprises, but the bill hasn't yet got off the ground.

What, if anything, should be done? The IRS is completing a study of 3,000 randomly selected returns to chart compliance with the Unrelated Business Income Tax. But however devastating nonprofit competition can be to individual for-profit companies, taxing the nonprofits' unrelated business income isn't likely to

HEALTH CARE
HOSPITALS
HEALTH MAINTENANCE ORGANIZATIONS

$170 BILLION

/500

EDUCATION
COLLEGES AND UNIVERSITIES
PREPARATORY SCHOOLS

$85 BILLION

/600

PUBLIC BENEFIT ORGANIZATIONS
CHARITIES
RESEARCH AND TESTING

$85 BILLION

/700

RELIGIOUS ORGANIZATIONS
CHURCHES
SYNAGOGUES

$53 BILLION

TOTAL $796 BILLION

rvice, Department of Agriculture, Rural Electric Administration, Department of Health & Human Services, FDIC, U.S. General Accounting Office, FORBES estimates

generate any large tax revenues. According to the Independent Sector, a Washington, D.C.-based organization that monitors and encourages nonprofit enterprise, the charitable nonprofits' revenue from sources other than contributions and program services amounts to a mere $14 billion, and only a fraction of that comes from unrelated business.

One could argue that it would make sense to end the tax exemption for any organization that gets the bulk of its income from fees. What difference would it make? Very little. Grant Thornton's nonprofit specialist, Christl Kasler, observes: "Many nonprofits could easily be run for-profit—or as state or municipal agencies."

That would end the worst of the nonprofits' unfair competitive advantages. But it would probably not generate any tax bonanza. Assuming the nonprofits netted as much as 5% on the maybe $450 billion or so in essentially commercial revenues generated by their programs, and paid taxes at the standard 34% rate, the tax revenue gain would be at most $8 billion. That's roughly half what the Treasury could recover if all deductibility of charitable contributions were ended.

What's perhaps even more alarming about the spread of the nonprofit economy is the proposition that the nonprofits are not only morally superior to for-profit organizations but that they're somehow also more efficient. Some of them—like the American Red Cross, the United Way, the Salvation Army and the Girl Scouts—do skillfully manage their objectives. But what sets the nonprofits apart from for-profit companies is that they have no legal owners. No stockholders. No proprietary interests to call their managers to account. And so, except for the agricultural co-ops, the surpluses—profits by any other name—that accumulate have no place to go but back into advancing the mission of the enterprise. And when the surpluses grow larger than the needs of the organization's nonprofit mission, they tend to accrue to the benefit of the staff—if not in taxable money, then in such employee perks as travel allowances, low-interest loans and elaborate headquarters facilities—like the Ford Foundation's crystal palace in New York or the American Red Cross' Beaux Arts headquarters in Washington.

Alan Miller, chairman of Universal Health Services, the U.S.' third-largest publicly traded hospital management company, sums up the economic dilemma presented by the nonprofits. "The problem," says Miller, "is that the nonprofits don't react in a rational way, the way a businessman would. They haven't the basic underlying concern that they can go out of business. They fool themselves. If you start off with that premise, spending money becomes a lot less difficult."

It's not easy running a business and being an angel all at the same time. ■

A matter of public exposure

The Forbes Nonprofit 500 is something of a pioneering effort. Though some 400,000 nonprofit organizations file with the Internal Revenue Service, our list is based on an IRS roster of nonprofits with more than $50 million in revenues that was supplied by Independent Sector, a Washington nonprofit organization.

The roster itself stems from the financial statements the nonprofits file with the IRS—Form 990 for organizations exempt from income tax. Most nonprofits are reluctant to make these statements available to outsiders, but the forms are available from the IRS under the Freedom of Information Act or from the nonprofits themselves, which are required by law to permit public inspection during business hours at their main offices. Where Form 990 filings have not been available or where the nonprofit organization didn't cooperate, FORBES turned to government agencies or consulting firms for the data.

Our list of nonprofits is organized, somewhat arbitrarily, by revenue according to the services the organizations provide. The list excludes taxable not-for-profit organizations like Blue Cross/Blue Shield and the large mutual insurance companies. With a couple of exceptions, the list includes only operating nonprofits and so excludes most of the foundations. The statistics reflect the latest available figures, fiscal 1989 unless otherwise noted, stated in millions of dollars.

The 990 forms are in most instances cash flow statements rather than conventional income accounts. They detail such sources of revenue as income from public and private donations, investment income and income from program services and unrelated businesses, so that the bottom line does not necessarily represent anything like the profit on sales but simply the excess of revenues over expenses.

Many large nonprofit institutions are missing from the lists. Religious groups are not required to report, and decentralized organizations with autonomous locals like the American Legion, the Young Men's Christian Association and the Masons do not happen to have large enough headquarters organizations to put them on our list. The tables were compiled by reporters Joel Millman, William Heuslein, Wendy Tanaka and Nikhil Hutheesing.

PUBLIC BENEFIT

These are conventional charities. Donations are generally tax-exempt, services generally free.

Revenue	Organization/State	Excess/(def)	Assets
1,138.4	American Red Cross/VA	34.8	1,423.8
517.8	Shriners Hospital/FL	311.4	3,177.4
367.7	United Jewish Appeal/NY	2.6	40.8
345.8	American Cancer Society (Group)/GA	22.0	390.6
329.1	Care/NY	3.9	64.8
323.3	United Israel Appeal/NY	39.2	474.9
308.7	Legal Services Corp/DC	1.6	55.5
248.8	American Heart Association/TX	28.3	371.3
231.9	Catholic Relief Services/MD	(13.7)	101.3
178.1	UJA-Fed Jewish Philanthropies/NY	(7.3)	323.3
168.8	Nature Conservancy/VA	109.5	619.8
164.3*	World Vision International/CA	3.9	31.0
160.6	United Way of Tri-State/NY	1.1	131.8
144.2	Jewish Agency/NY	5.3	129.4
143.1	American Cancer Society†/GA	5.7	569.4
132.4	Inst of International Education/NY	(0.2)	22.1
128.8	World Vision/CA	0.9	53.8
126.3	New York Blood Center/NY	4.6	47.4
121.8	Amer Jewish Joint Distrib Comm/NY	2.2	94.0
111.4*	Muscular Dystrophy Assn/NY	6.9	116.0
106.3	Rotary International Foundation/IL	49.8	302.0
101.7	Christian Children's Fund/VA	8.3	30.2
101.5	Legal Aid Society/NY	(1.2)	19.5
96.2	Foster Parents Plan Intl/RI	4.1	43.3
96.0‡	Campus Crusade for Christ/CA	(18.2)	31.3
95.8	National Collegiate Athletic Assn/KS	6.1	39.0
93.5	Father Flanagan's Boys Home/NE	28.7	493.1
93.4	American Lebanese-Syrian Charities/TN	13.5	174.6
92.8	March of Dimes/NY	(4.1)	38.6
90.3	United Way Crusade of Mercy/IL	0.2	43.6
89.9	Boy Scouts of America†/TX	11.2	216.2
87.2	NY Community Funds/NY	39.1	448.6
82.5	Save the Children/CT	2.2	28.4
79.2*	United Way/CA	(2.7)	64.9
77.5	US Olympic Committee/CO	18.5	68.4
71.6	Billy Graham Evangelistic Assn/MN	10.0	90.1
70.8*	Natl Benev Assn Christian Church/MO	7.9	145.3
69.4	National Wildlife Federation/DC	1.9	45.9
68.7	Natl Assn-Exch of Industrial Resources/IL	9.2	65.9
68.5	Trust for Public Land/CA	2.4	53.0
66.1	Covenant House/NY	10.1	79.8
66.1	World Vision Relief & Development/CA	0.1	2.6
61.0	United Way of NYC/NY	0.4	73.4
59.8	United Foundation/MI	(0.3)	81.6
59.7*	Jewish Fed-Council of Greater LA/CA	6.4	87.5
59.1*	Ducks Unlimited/IL	(0.5)	42.3
56.8	United Way, National Capital Area/DC	(0.9)	35.3
56.7*	Disabled American Veterans†/KY	(4.0)	160.5
53.3	City of Hope/CA	3.2	33.9
52.7	Jewish Board Family & Child Services/NY	1.2	46.4
52.2	United Way, SE Penn/PA	(0.9)	48.0

*1988 figures ‡1987 figures †National headquarters *Source: IRS*

SCIENCE, CULTURE AND INFORMATION

Museums and opera companies, TV and radio broadcasting, zoos, libraries and specialized journals.

Revenue	Organization/State	Excess/(def)	Assets
428.9	National Geographic Society/DC	(2.7)	534.1
287.1	Public Broadcasting Service/VA	2.6	88.9
261.9	Corp for Public Broadcasting/DC	12.1	96.5
246.6	Smithsonian Institute/DC	33.3	451.0
170.5	Radio Free Europe-Radio Liberty/DC	1.1	146.0
158.6*	Metropolitan Museum of Art/NY	13.1	479.0
155.2	New York Public Library/NY	12.2	282.7
130.0	Christian Broadcasting Network/VA	0.9	186.0
109.0	Metropolitan Opera Assn/NY	9.8	138.7
104.1	Educational Broadcasting Corp/NY	2.0	86.4
98.6	Art Institute of Chicago/IL	14.1	247.3
94.8	WGBH Educational Foundation/MA	1.5	56.8
90.0	National Gallery of Art/DC	31.6	375.2
87.0	Lincoln Center/NY	51.2	355.2
81.4	Online Computer Library Center/OH	4.9	99.1
81.0*	Colonial Williamsburg Foundation/VA	7.1	381.6
67.0	Guideposts Associates/NY	(3.0)	64.5
64.4	Zoological Society of San Diego/CA	7.6	75.1
63.1	Boston Museum of Fine Arts/MA	15.7	236.9
59.8	New York Zoological Society/NY	3.0	87.2
58.7*	John F Kennedy Center/DC	(0.8)	89.3
58.6	Childrens Television Workshop/NY	13.1	90.0
51.2	Amer Museum of Natural History/NY	6.6	183.3

*1988 figures. *Source: IRS*

RESEARCH AND TESTING

Student, product and scientific testing, scientific, industrial and medical research.

Revenue	Organization/State	Excess/(def)	Assets
724.0	Howard Hughes Medical Institute/MD	447.1	6,431.9
501.5	Mitre Corp/MA	11.5	129.1
379.5	Aerospace Corp/CA	8.0	144.2
358.4	Electric Power Research Institute/CA	3.0	67.0
335.7	Associated Universities/NY	0.2	4.6
272.8	SRI International/CA	21.4	213.6
256.2	Educational Testing Service/NJ	4.5	127.2
248.7	Universities Research Assn/IL	5.5	42.3
217.3	Charles Stark Draper Laboratory/MA	8.5	188.4
199.9	Underwriters Laboratories/IL	25.6	243.7
190.3*	Gas Research Institute/IL	34.4	106.3
187.2	Southwest Research Institute/TX	6.0	155.7
170.6	National Academy of Sciences/DC	13.4	152.3
127.6	Dana Farber Cancer Research Inst/MA	15.4	220.6
119.1	Rockefeller University/NY	(6.8)	742.8
114.0	ITT Research Institute/IL	2.7	37.2
97.4*	Rand Corp/CA	13.0	66.6
88.7	Institute for Defense Analysis/VA	3.2	40.8
77.2*	Woods Hole Oceanographic Inst/MA	13.8	136.2
74.8	Univ Corp for Atmospheric Res/CO	0.0	75.9
73.4	Consumers Union/NY	1.9	75.9
68.8	Hutchinson Cancer Research Center/WA	2.5	97.6
60.5	American College Testing Program/IA	3.2	49.0

*1988 figures. *Source: IRS*

EDUCATION

Private schools and universities. Revenues come from fees, private donations and government grants.

Revenue	Organization/State	Excess/(def)	Assets
1,576.5	Harvard/MA	446.0	6,593.8
1,299.8	Calif Institute of Technology/CA	67.8	1,142.1
1,275.4	University of Pennsylvania/PA	143.3	2,183.9
1,249.7	Stanford/CA	238.6	3,839.8
1,092.6	Cornell/NY	200.8	2,596.6
1,073.7	MIT/MA	111.8	1,582.8
989.3	Columbia/NY	124.2	2,678.3
981.6	New York University/NY	80.0	1,873.3
889.4	Chicago/IL	72.2	1,548.8
867.2	Duke/NC	124.9	1,932.3
819.2	Univ of Southern California/CA	84.5	1,376.0
810.5	Emory/GA	111.0	1,911.0
638.8	Yale/CT	0.0	3,955.7
616.7	Vanderbilt/TN	84.5	1,569.4
609.5	Washington University/MO	80.4	1,961.0
604.5	Pittsburgh/PA	0.3	1,198.0
580.8	Princeton/NJ	187.6	2,909.6
563.1	Georgetown/DC	47.7	953.8
559.9	Northwestern/IL	121.3	1,510.3
553.7	Temple/PA	45.7	980.1
541.0	Boston University/MA	29.2	897.4
539.1	Miami/FL	52.2	766.0
529.1	Rochester/NY	(0.9)	1,263.9
528.3	Loyola/IL	45.0	900.3
469.4	George Washington/DC	23.1	720.1
433.1*	Howard/DC	50.6	724.7
391.0	Syracuse/NY	52.5	667.9
377.6*	Brigham Young/UT	37.8	619.7
369.0	Tulane/LA	20.1	666.2
334.1	St Louis/MO	35.8	475.0
324.6	Case Western Reserve/OH	79.4	802.1
320.1	Northeastern/MA	32.7	499.4
312.9	Carnegie-Mellon/PA	14.8	856.8
297.3	Yeshiva University/NY	52.8	564.2
285.1	Dartmouth/NH	56.9	1,021.6
279.7	Brown/RI	63.9	742.9
279.7	Notre Dame/IN	73.1	830.4
279.3	Tufts/MA	25.6	534.0
279.3	Wake Forest/NC	66.7	741.2
229.5	Kamehameha Schools/HI	167.8	978.9
228.7	Boston College/MA	51.8	616.8
207.9	Rochester Inst of Technology/NY	41.0	465.8
194.0	Lehigh/PA	49.2	588.1

Revenue	Organization/State	Excess/(def)	Assets
172.6	Rice/TX	77.2	930.0
171.5	Rensselaer Polytechnic Inst/NY	14.6	445.0
166.4	Southern Methodist/TX	23.9	489.2
143.8	Dayton/OH	19.9	242.2
142.9	Brandeis/MA	23.3	330.9
142.0	St Johns University/NY	8.2	165.8
140.9	Long Island University/NY	6.3	191.4
139.5	American/DC	11.8	218.3
133.2	Hofstra/NY	17.4	290.2
132.2	Baylor/TX	28.6	425.5
131.2	Fordham/NY	10.5	282.9
129.9	Pace/NY	8.6	212.0
129.7	Creighton/NE	8.7	249.5
129.0	Drexel/PA	9.9	272.0
122.1	De Paul/IL	15.5	193.6
118.2	Villanova/PA	9.2	191.8
117.1	Wellesley/MA	48.9	521.4
114.4	Marquette/WI	25.0	306.3
112.1	Pepperdine/CA	25.8	299.2
110.9	Texas Christian/TX	33.2	388.8
106.0	Fairleigh Dickinson/NJ	(4.5)	151.9
104.9	Loma Linda/CA	6.0	202.5

*1988 figures. *Source: IRS*

HEALTH CARE

Hospitals and hospital systems, health maintenance organizations, medical schools and nursing homes. They are funded almost solely by payments for services rendered.

Revenue	Organization/State	Excess/(def)	Assets
6,856.8	Kaiser Health & Hospital†/CA	52.9	5,058.5
1,515.7‡	Health Care Services Corp/IL	(13.3)	514.4
1,224.6	Sisters of Mercy Health Corp/MI	28.6	1,330.8
1,058.2	Mayo Foundation†/MN	166.7	6,833.8
957.8	Sisters of Mercy Health System/MO	73.2	890.6
947.3	Catholic Health Corp†/NE	33.1	891.3
833.7	Catholic Healthcare West†/CA	40.7	1,058.5
805.2	Adventist Health System/Sunbelt†/FL	22.5	733.2
798.6	Mount Sinai Medical Ctr Inc**/NY	42.0	521.1
699.0	Franciscan Health System**/PA	11.5	554.2
694.1	Samaritan Health Service/AZ	167.6	584.4
690.2*	Health Insurance Plan/Greater NY/NY	10.2	371.7
667.1	Massachusetts General Corp**/MA	66.5	1,037.5
635.0	Sisters of St Francis Health Services/IN	15.1	439.9
631.4	Sisters of Providence**/WA	26.4	932.4
616.3*	Cleveland Clinic Foundation/OH	12.9	752.4
609.6*	IHC Hospitals/UT	34.0	762.1
573.9	Sisters of St Joseph Health System**/MI	25.6	504.6
568.4	Sisters of Charity-The Incarnate Word/TX	44.1	862.3
559.1	Montefiore Medical Center/NY	6.4	452.1
543.7	Memorial Sloan-Kettering**/NY	84.8	895.7
535.2	Rush-Presbyterian-St Luke's Med Ctr/IL	5.1	622.6
514.8	Hahnemann/PA	9.7	320.0
511.6	Presbyterian-University Hospital/PA	28.4	399.4
496.5	Thomas Jefferson/PA	42.5	576.5
479.9*	Henry Ford Hospital/MI	19.4	506.7
472.2*	Brigham & Womens Hospital/MA	19.2	449.5
467.2	University Hospital of Cleveland/OH	6.1	301.0
463.0	SSM Health Care/MO	15.6	559.3
426.1*	Methodist Hospital/TX	30.3	455.1
425.0	Loma Linda U Medical Center/CA	28.4	541.8
420.5	New York Presbyterian Hospital/NY	6.9	865.5
412.5*	New York Hospital/NY	(23.8)	424.4
400.8*	Methodist Hospital of Indiana/IN	1.1	415.3
398.8	Northwestern Memorial Hospital/IL	33.2	455.5
398.4*	William Beaumont Hospital/MI	30.7	442.6
395.1	St Luke's-Roosevelt Hosp Center/NY	5.5	362.4
390.5*	Baptist Memorial Hospital/TN	5.4	386.1
385.4‡	Health Net/CA	(22.6)	117.4
381.8*	Group Health Co-op of Puget Sound/WA	0.4	230.3
377.4*	Memorial Medical Ctr/Long Beach/CA	14.1	183.4
377.2*	Cedars-Sinai Medical Center/CA	39.4	490.1
360.1	Evangelical Hospital Corp/IL	16.7	446.3
359.0	Catholic Med Ctr Bklyn & Qns**/NY	(1.7)	334.4
356.5	Physicians Health Plan of Minn/MN	0.6	79.1
354.1	Baylor College of Medicine/TX	35.0	611.7
351.4	Yale New Haven Hospital/CT	17.2	306.4
343.9	LI Jewish Medical Center/NY	(2.0)	297.2
339.6	Baylor U Medical Center/TX	20.1	297.5
331.8	Sisters of the 3rd Order of St Francis/IL	22.2	437.8
331.1	St John Hospital & Medical Center/MI	17.4	247.0
330.6	Medical Center of Delaware/DE	(0.9)	524.2
324.6‡	Sutter Community Hospital/CA	15.5	296.4
318.8‡	Mem Hosp-Cancer & Allied Diseases/NY	16.2	303.7
315.7	Harper-Grace Hospital/MI	9.5	346.1
314.4	Johns Hopkins Hospital/MD	12.9	319.5
313.8*	Orlando Regional Medical Center/FL	16.4	307.5
306.3	Beth Israel Medical Center/NY	11.6	271.0
300.7*	Harvard Community Health Plan/MA	(11.7)	267.3
294.5	Abbott Northwestern Hospital/MN	6.9	256.3
292.6*	Fairfax Hospital System/VA	19.0	343.4
283.5	Rhode Island Hospital/RI	3.0	339.6
282.2*	Bay State Health Care/MA	8.3	66.2
281.3	Childrens Hospital/MA	(0.1)	298.1
278.9*	Evang Lutheran Good Samaritan Soc/SD	13.0	409.8
277.8*	Charleston Area Medical Center/WV	13.8	230.4
276.6*	Barnes Hospital/MO	19.5	448.7
274.7	Washington Hospital Center/DC	10.6	248.7
274.6	Lutheran Health System**/ND	9.3	440.7
266.4	Stanford U Hospital/CA	5.3	354.7
266.0	U of Maryland Medical System/MD	17.7	200.0
264.1	Health One Corp/MN	18.0	344.5
259.6	North Shore U Hospital/NY	(8.7)	208.2
259.5	Sinai Hospital of Detroit/MI	0.1	196.2
256.3*	Hartford Hospital/CT	16.6	310.6
255.1	Baptist Medical Centers/AL	18.5	359.8

Revenue	Organization/State	Excess/(def)	Assets
252.9	St Francis Medical Center/PA	(3.9)	245.3
251.8	St Vincent's Hospital/NY	10.9	270.8
248.4*	New England Medical Center/MA	4.4	309.9
246.2	Sentara Hospitals/VA	25.3	445.8
244.3	Bay State Health System†/MA	4.4	234.8
241.9	Share/MN	8.5	79.1
239.9	Hermann Hospital/TX	(24.3)	253.6
236.6	Children's Hospital of Philadelphia/PA	10.1	177.3
229.6*	Providence Hospital/MI	2.1	170.9
228.4	Greenville Hospital System/SC	17.8	320.9
227.2	Evanston Hospital Corp/IL	23.1	452.7
226.5	Scripps Clinic & Res Foundation/CA	16.7	259.2
226.1	U of Chicago Hospitals/IL	11.4	284.3
224.0	Albert Einstein Medical Center/PA	7.1	244.0
219.1*	Michael Reese Hosp & Med Ctr/IL	0.3	233.8
213.2	Sisters of Charity/Nazareth Health/KY	17.0	253.1
208.3*	Fulton-Dekalb Hospital Authority/GA	(2.8)	129.3
207.9	Albany Medical Center/NY	(14.1)	242.0
207.6	Memorial Hospital System/TX	11.0	343.5
205.2	Alton Ochsner Medical Foundation/LA	16.5	349.2
204.3*	Riverside Methodist Hospital/OH	18.5	216.2
203.1*	Saint Francis Hospital/OK	11.3	209.1

*1988 figures. ‡1987 figures. †Consolidated figures. **Combined figures.
Source: IRS

MEMBERSHIP ORGANIZATIONS

Groups organized to advance the special interests of members or to protect them from financial risks.

Revenue	Organization/State	Excess/(def)	Assets
884.4*	Texas Wkrs Comp Assigned Risk/TX	206.5	993.3
286.1	American Assn of Retired Persons/DC	(0.1)	274.1
218.7	New York Shipping Assn/NY	7.9	42.5
167.3	Michigan Catastrophic Claims/MI	(209.9)	964.9
146.0*	American Medical Assn/IL	6.1	208.3
141.9*	NH Auto Reinsurance Facility/RI	(17.2)	150.1
121.8	American Management Assn/NY	5.7	73.1
101.0	American Bureau of Shipping/NJ	3.5	160.1
93.7*	National Assn of Securities Dealers/MD	4.7	164.8
79.5*	Assn of American Railroads/DC	2.8	40.3
76.2	National Rifle Association/DC	(5.8)	110.2
74.9	Inst of Electric & Electronic Engineers/NY	0.9	87.1
74.6*	National Association of Realtors/IL	7.9	81.4
74.1	American Hospital Assn/IL	1.8	65.0
73.5*	ISO Commercial Risk Services/NY	2.7	16.6
70.2	Natl Council on Comp Insurance/FL	(7.0)	14.2
69.3	American Bar Association/IL	2.7	82.4
68.3	Edison Electric Institute/DC	2.3	43.2
67.7*	US Chamber of Commerce/DC	0.4	43.5
64.9*	Michigan Basic Property Ins Assn/MI	(21.8)	65.4
61.4*	California Farm Bureau/CA	0.2	13.4
56.0	Amer Petroleum Institute/DC	0.4	23.5
55.6*	American Gas Association/VA	0.7	21.9
54.0	American Bankers Association/DC	3.3	82.2

*1988 figures.
Source: IRS

LABOR UNIONS

Teachers and auto workers, white collar and blue, single or multi-industry.

Revenue	Organization/State	Excess/(def)	Assets
1,544.7	Teamsters/DC	4.2	196.0
500.0	United Steelworkers/PA	0.5	217.4
481.1	United Food & Comm Workers/DC	(4.9)	6.1
454.6	Intl Ladies Garment Workers/NY	0.8	78.2
443.2	State, County, Municipal Employees/DC	(1.3)	27.9
418.2*	Air Line Pilots Association/VA	(0.3)	68.1
393.1	United Auto Workers/MI	(0.2)	907.4
236.4	Electrical Workers/DC	16.0	167.8
207.8	Machinists & Aerospace Workers/DC	(15.2)	96.8
176.6*	Communications Workers/DC	8.7	75.2
169.7	United Transportation Union/OH	4.0	29.5
145.7	AFL-CIO/DC	4.1	67.3
131.7	Natl Assn of Letter Carriers/DC	1.9	33.3
113.5	Plumbers/DC	(1.6)	92.1
102.7	Natl Education Association, Ohio/OH	0.4	8.4
122.6*	United Mine Workers/DC	(2.4)	126.5
86.2	Carpenters & Joiners/DC	(18.1)	162.2
85.8	Maintenance of Way Employees/MI	0.0	44.6
76.2	Natl Education Assn, Pa/PA	0.0	13.3
75.4	Graphic Communications/DC	16.3	67.3
71.4	NYC District Council 37/NY	(0.9)	18.2
70.3	Teamsters, Local 710/IL	0.0	6.5
68.5	Service Employees/DC	1.1	25.7
67.1*	Postal & Federal Employees/DC	(0.5)	5.4
66.7	Iron Workers/DC	2.1	52.1
64.8	NY State United Teachers/NY	(0.9)	33.9
60.0	TV and Radio Artists/OH	NA	3.9
57.4	United Federation of Teachers/DC	2.2	25.0
57.2	Laborers/DC	1.8	29.6
56.9*	Teamsters, Local 705/IL	(0.8)	14.4
53.2	Electrical Workers, Local 3/NY	0.8	18.4

*1988 figures. NA: Not available.
Sources: IRS; Department of Labor

TAX-EXEMPT FUNDS

Union plans, corporate plans, pension funds mainly. Revenues of multiple-company plans are combined.

Revenue	Organization/State	Excess/(def)	Assets
16,565.5	TIAA-CREF†/NY	0.0	70,871.8
7,049.4	General Motors/NY	3,695.1	39,575.4
5,226.0	AT&T/NJ	3,518.0	35,467.0
3,421.0	General Electric/CT	1,759.1	30,631.0
2,938.2	Ford Motor/MI	2,006.9	14,668.9
2,266.9	Pacific Telesis/CA	1,806.7	11,442.5
2,138.9	Ameritech/IL	1,540.8	12,069.3
2,065.7	IBM/NY	1,535.4	19,580.1
2,038.2	Nynex/NY	1,312.3	13,817.7
2,018.8*	El du Pont de Nemours/DE	1,400.0	16,658.4
2,017.1	Teamsters, Western Conference/WA	1,303.3	9,641.2
1,889.8*	Exxon/NY	(1,240.9)	7,700.0

Revenue	Organization/State	Excess/(def)	Assets
1,837.3	GTE/CT	1,800.2	10,521.0
1,680.5	Teamsters, Central States/IL	720.4	8,583.5
1,506.3	Sears Roebuck/IL	676.9	6,647.0
1,463.9	Boeing/WA	1,050.8	9,225.0
1,405.1	Bell Atlantic/PA	957.9	9,747.2
1,344.0	Procter & Gamble/OH	832	4,044.6
1,264.2	BellSouth/GA	914.6	9,176.3
1,223.0	Eastman Kodak/NY	867.4	7,980.2
1,045.6	US Steel & Carnegie Pension/NY	37.8	8,767.3
1,014.2	Southwestern Bell/MO	607.5	7,226.1
967.5*	United Mine Workers/DC	544.0	5,195.3
959.7*	Rockwell International/CA	476.0	6,492.4
940.8	United Technologies/CT	577.1	7,626.4
922.0	Shell Oil/TX	659.0	7,318.0
916.0	General Dynamics/MO	636.0	5,260.0
898.0	Chevron/CA	497.0	5,765.0
879.6*	Lockheed/CA	540.1	7,408.6
873.0	Caterpillar/IL	572.0	4,427.5
744.5	American Airlines/TX	579.9	3,475.0
731.0	Unisys/PA	483.0	4,500.0
709.3*	McDonnell Douglas/MO	339.0	7,545.7
669.6	Delta Air Lines/GA	514.5	3,498.5
660.0	Amoco/IL	301.0	4,113.0
639.4	Allied-Signal/NJ	342.9	4,336.0
602.8*	Chrysler/MI	322.0	4,100.0
583.6*	Hughes Aircraft/CA	502.4	6,300.0
573.9*	Mobil Oil/NY	60.6	4,357.5
573.1	Philip Morris/NY	375.2	4,341.3
550.1	JC Penney/TX	217.4	3,696.8
514.0	United Airlines/IL	361.0	3,407.7

*1986 figures. †Combined figures. *Sources: IRS; Department of Labor; Money Market Directories; company reports*

HEALTH AND WELFARE INSURANCE

Union plans, company plans, fraternal organization plans; medical, dental and vision insurance, life insurance, supplemental unemployment insurance.

Revenue	Organization/State	Excess/(def)	Assets
1,630.0*	Aid Association For Lutherans/WI	13.0	6,246.3
1,244.4	Lutheran Brotherhood/MN	40.1	5,562.1
980.4*	General Electric/NY	148.6	1,262.6
966.7	Railroad Employees/DC	38.8	473.5
902.3‡	Mutual of America Life Insurance/NY	36.0	4,167.5
680.7*	IBM Medical/Dental Plan Trust/NY	22.5	165.3
650.5	Knights of Columbus/CT	50.9	2,803.3
558.1	Central States Health & Welfare Fund/IL	12.7	279.9
545.7	Woodmen of World Life Insurance/NE	25.5	2,182.4
327.3‡	United Mine Workers 1974 Pens/DC	124.0	3,115.8
323.2	Modern Woodmen of America/IL	35.5	1,418.0
300.8*	GM Supplemental Unemp Trust/NJ	1.2	17.8
288.6*	Delta Dental Plan of Michigan/MI	5.6	123.0
282.0*	Mich Education Special Svc Assn/MI	22.1	49.1
236.3*	Bethlehem Steel Corp/PA	4.7	149.2
194.9	California Vision Service/CA	2.1	NA
190.3†	United Mine Workers 1950 Plan/DC	(9.9)	78.6
181.2*	United Food & Comm Workers/CA	(34.9)	121.4
169.6*	Intl Ladies Garment Workers/NY	(2.5)	533.5
160.1	3M/MN	(5.5)	94.3
150.7	Northrop Corp/NY	15.2	262.4
150.3	Procter & Gamble/OH	(0.1)	46.5
134.0‡	Natl Rural Electric Co-op/DC	2.2	196.1
120.2*	National Elevator Industry/PA	(2.1)	124.6
120.1	JC Penney Medical Plan/TX	3.5	34.8
118.3‡	Delta Air Lines Med Plan/GA	(0.7)	38.7
115.0‡	Building Service/NY	(0.1)	60.8
113.9*	Hewlett-Packard/CA	(9.3)	81.0
109.2‡	District Council 37/NY	13.9	110.3
106.3	Screen Actors Guild/CA	6.6	66.8
105.4†	Hotel & Restaurant Employees/IL	(0.3)	65.7
101.8	Caterpillar Suppl Unemp Benefit/IL	19.9	86.7

*1988 figures. ‡1987 figures. †1986 figures. NA: Not available.
Sources: IRS; Department of Labor

CREDIT UNIONS

Some state chartered, some federal, but all funded by members' deposits.

Revenue	Organization/State	Excess/(def)	Assets
376.5	Navy Federal/VA	41.8	3,913.7
204.4	States Employees/NC	12.2	2,090.4
150.2	United Airlines Employees/IL	8.2	1,727.9
128.8	Pentagon Federal/VA	10.1	1,239.0
102.7	Boeing Employees/WA	11.9	1,148.4
87.1	Hughes Aircraft Employees/CA	3.4	1,001.2
81.5	Alaska USA Federal/AK	(10.7)	882.9
78.3	American Airlines Employees/TX	7.5	842.0
77.6	Eastern Financial Federal/FL	(7.7)	729.9
76.2	The Golden 1/CA	8.1	740.4
66.2	IBM Poughkeepsie/NY	4.4	662.4
65.2	Telephone Employees/CA	5.7	654.9
64.6	LMSC Federal/CA	12.2	693.7
64.5	Tinker/OK	3.0	595.2
63.8	Orange County Teachers/CA	8.4	673.7
60.6	America First/UT	3.7	557.9
59.9	Construction Equipment/IL	6.9	610.4
59.2	San Antonio Federal/TX	2.9	548.5
58.4	Lockheed Federal/CA	9.2	559.9
56.7	Security Service Federal/TX	1.8	557.1
54.4	Redstone Federal/AL	5.4	526.8
51.3	Suncoast Schools Federal/FL	4.9	519.0

Source: Callahan & Associates

ELECTRIC COOPERATIVES

Distribution, transmission and generation co-ops to supply power to agricultural areas. Member dividends are a tax-free return on capital.

Revenue	Organization/State	Excess/(def)	Assets
275.1	Old Dominion Electric/VA	3.8	358.4
251.4	So Miss Electric Power/MS	(4.2)	779.3

Revenue	Organization/State	Excess/(def)	Assets
238.7	Central Electric Power/SC	0.2	136.4
228.8	East Kentucky Power/KY	3.6	940.7
182.7	Green River Electric/KY	1.8	85.6
181.2	Brazos Electric Power/TX	7.6	553.9
169.9	Soyland Power/IL	0.4	1,127.0
164.5	Buckeye Power/OH	7.0	528.9
157.8	Alabama Electric/AL	2.1	468.4
157.4	Cooperative Power/MN	3.7	780.8
153.4	Henderson-Union Rural Elec/KY	1.3	62.3
144.3	Lee County Electric/FL	13.0	240.1
144.0	Kamo Electric/OK	2.8	376.8
131.4	Clay Electric/FL	13.0	227.5
131.3	Withlacoochee River Elec/FL	8.9	222.9
129.7	Amer Municipal Power/OH	1.9	102.6
127.1	Southern Maryland Electric/MD	10.2	210.8
116.1	Middle Tennessee Electric/TN	6.6	111.9
110.3	Cobb Electric/GA	7.1	221.3
109.8	Northern Virginia Electric/VA	5.6	204.7
101.6	Jackson Electric/GA	9.8	184.9
101.0	San Miguel Electric/TX	4.2	427.3
98.5	Chugach Electric/AK	8.2	432.6
96.2	Southwest Louisiana Electric/LA	7.0	165.9
93.9	Minnkota Power/ND	2.5	124.1
92.0	North Georgia Electric/GA	3.7	75.8
89.2	Nebraska Electric/NE	0.0	14.8
86.1	Rappahannock Electric/VA	5.3	130.6
75.2	Volunteer Electric/TN	4.6	86.1
74.7	Dixie Electric/LA	1.2	144.4
74.4	Sumter Electric/FL	4.1	140.6
71.9	Anoka Electric/MN	2.8	96.0
71.5	Walton Electric/GA	5.6	118.7
70.3	Central Iowa Power/IA	2.6	260.4
67.5	Central Electric Power/MO	3.8	68.2
65.4	Southern Pines Electric/MS	1.6	88.2
65.0	Cumberland Electric/TN	1.9	92.2
63.5	Dakota Electric/MN	2.7	103.0
62.8	Moon Lake Electric/UT	2.3	66.3
60.1	South Central Power/OH	6.0	114.1

Source: REA

AGRICULTURAL COOPERATIVES

Marketing organizations for specialized farmers, buying organizations for small businessmen, farmers and retailers. Dividends are taxable, as are undistributed income and unrelated business income.

Revenue	Organization/State	Excess/(def)	Assets
3,234.1	Agway/NY	11.1	1,701.3
3,035.1	Associated Milk Producers/TX	12.4	348.3
2,975.2	Farmland Industries/MO	99.2	1,182.4
2,846.0	Harvest State/MN	20.1	435.7
2,377.0	Land O'Lakes/MN	34.0	721.2
2,333.5	Roundys/WI	6.0	371.2
1,797.7	Mid-America/MO	1.0	425.7
1,546.3	Ace Hardware/IL	5.7	496.8
1,365.2	Cenex/MN	43.7	656.2
1,237.6	Union Equity/OK	(9.6)	220.3
1,209.4	Gold Kist/GA	46.4	567.6
1,153.0	Indiana Farm Bureau/IN	11.0	190.0
1,082.6	Servistar/PA	(1.3)	300.0
1,025.1	Hardware Wholesalers/IN	3.1	272.5
960.7	Countrymark/OH	1.9	204.6
947.0	Ag Processing/NE	42.0	219.5
937.2	Dairymen/KY	4.4	227.5
930.8	Sunkist Growers/CA	0.7	201.1
873.1	Ocean Spray Cranberries/MA	34.6	520.7
855.9	CF Industries/IL	NC	797.9
827.8	Southern States/VA	8.4	283.8
746.6	Tri Valley Growers/CA	53.5	505.2
685.7	Calcot/CA	35.0	243.8
659.2	Natl Cooperative Refinery/KS	78.1	351.4
656.4	Riceland Foods/AR	4.7	203.6
572.6	Prairie Farms Dairy/IL	19.3	156.5
572.2	Sun Diamond Growers/CA	53.4	88.9
559.6	Wisconsin Dairies/WI	6.5	151.1
486.0	CA Almond/CA	1.7	270.1

NC: Not comparable. *Source: company reports*

FUNDING/ADMINISTRATIVE AGENCIES

Instructional and research funding, scholarships, dormitory construction funds. Public agencies to assume administrative and other burdens from government.

Revenue	Organization/State	Excess/(def)	Assets
2,581.7	NYC Health & Hospitals Corp/NY	(66.4)	1,615.1
762.3	University of Colorado/CO	38.7	836.1
558.6	Common Fund for Non-Profit Org/CT	510.7	5,325.0
427.6*	Manhattan & Bronx Surface Trans/NY	(51.1)	177.3
409.8	Natl Rural Util Co-op Finance/DC	36.0	4,624.3
399.4	City U Construction Fund/NY	2.4	12.2
287.9	Research Foundation, SUNY/NY	(2.9)	79.5
277.4	University of Delaware/DE	35.4	757.1
117.3	Ohio State U Research Foundation/OH	(0.2)	23.6
107.1	Research Foundation, CUNY/NY	7.5	79.6
100.6	Calif Student Loan Finance Corp/CA	(368.4)	1,430.9
92.5	Texas A&M Research Foundation/TX	2.7	25.4
86.6	United Student Aid Funds/IN	41.2	271.5
82.5*	Purdue Research Foundation/IN	4.7	68.0
67.6*	Higher Education Asst Foundation/MN	2.9	286.2
67.5‡	Dubuque Racing Association/IA	2.6	10.6
62.7	Northern Calif Power Agency/CA	4.6	442.4
58.5	Kansas U Endowment Assn/KS	24.9	233.6
58.2	San Diego State U Foundation/CA	2.3	47.6
54.3	NYC Public Develop Corp/NY	4.4	65.6

*1988 figures ‡Total track handle NA: Not available *Source: IRS*

Part manufacturer, part retailer, Tandy Corp. is not an easily understood company. It is, however, a very profitable company, and appears to be getting more so.

"We're still here"

By Alyssa A. Lappen

THE UNSTRUCTURED, almost accidental beginnings of many of the giants of the microcomputer industry have become part of the folklore of the computer business. Steve Jobs and Stephen Wozniak invented the first Apple computer in Jobs' garage. Compaq founder Rod Canion and his colleagues sketched their first portable computer on the back of a pie shop place mat.

Tandy Corp.'s John Roach was there at the very beginning. In 1977, when Tandy was searching for products to supplement the citizens band radios it was selling, Roach helped build Tandy's first computer prototype. He tested the software on his kitchen table. Roach then suggested to Charles Tandy that the company manufacture personal computers and sell them through its Radio Shack chain. On seeing the machine, Tandy reportedly puffed on his cigar and said, "Build 2,000, and if they don't sell, use them in our stores."

They sold, and Tandy's computers are still selling, at the rate of over $1 billion a year. And to some surprising customers. The quality of Tandy's products, especially its computers, is so highly regarded that Digital Equipment Corp. and Matsushita, among others, are buying them to sell under their own names. The five notebook and desktop computer models that Tandy makes for Matsushita's Panasonic retail in computer stores nationwide for $1,150 to $3,200.

In another coup, last month N.V. Philips of Holland and Tandy agreed that Tandy would build their innovative tape deck, designed to play both digital and conventional audiocassettes. The new product will probably be available in 1992. Tandy is clearly to be taken seriously as a maker of sophisticated technological products.

Remarkably, most of the products that Tandy manufactures—and all of its desktop computers—are made in the U.S. During the 1970s and early 1980s, when many U.S. electronics companies were moving their manufacturing abroad, Roach risked keeping most of his production at home (Tandy has 5 plants outside the country, 24 inside). As the dollar has dropped in value and the price of Asian electronics has risen, Tandy has benefited from low-cost production at home in the U.S.

"American consumer electronics companies like RCA, GE, Magnavox and Motorola's Quasar are all gone [from the U.S.]. But we're still here," says Roach proudly. Indeed it is: a well-integrated consumer electronics company that designs, builds and retails its products successfully in an intensely competitive environment.

In 1981, following the overnight success of the Model TRS-80 computer, Tandy's board promoted Roach from head of manufacturing to chief executive. Roach was only 42. Since then Tandy's sales and revenues have roughly doubled. In its 1990 fiscal year (which ended June 30) Tandy earned $290 million on sales of $4.5 billion.

Chuck Peddle, a computer industry entrepreneur who over the years competed against Tandy while at Commodore International, Victor Technologies and Tandon, sums up the opinion of many in the industry when he says of Roach: "If I thought I could take him out, I would, because he's a lot tougher than a lot of other players."

To those who believe in the ability of the stock market to value assets accurately, Tandy is a challenge. With its shares recently at 23⅞, Tandy's market value was just $1.9 billion. That's about 40 cents on the sales dollar, less than seven times earnings, and barely five times cash flow.

"Wall Street," Roach says, "just doesn't understand us." Peter Teige, a computer market analyst at Santa Clara, Calif.'s InfoCorp, calls Tandy "the most overlooked and misunder-

stood company in the industry."

Not that Tandy is an easy company to come to grips with. Through its Radio Shack stores and a couple of smaller chains, Tandy is the nation's largest retailer of consumer electronics, selling about $3.4 billion worth of a dizzying mix of wire, batteries, recording tape, amateur radio parts, audio and television equipment, computer equipment and software, cellular telephones (it's the biggest U.S. distributor) and electronic toys. So Tandy is a specialty retailer akin, say, to Circuit City, Computer Factory or Businessland.

But something like half of the products that Tandy sells through Radio Shack are produced in its own plants. So Tandy is also a manufacturer, à la Commodore International, Apple or Compaq.

In fact, it's even more complicated. Of Tandy's $3.4 billion in retail sales, about $470 million were brand name consumer electronics products of other manufacturers that Tandy sells through two consumer electronics chains it bought in 1985, McDuff and VideoConcepts. These discount chains, based predominantly in the South, sell high-ticket name brand gear like $3,000 Yamaha big-screen televisions, Frigidaire refrigerators and Maytag washers.

Merchandise sold through these outlets carries smaller gross margins—just over 32% in the last fiscal year—compared with the 53.4% gross spread on goods that went through Radio Shack stores. Why push the name brand business? Because that's where the growth is. Radio Shack same-store sales grew by less than 1% last year. Tandy's name brand same-store sales grew 19%.

In short, then, how Tandy is doing these days depends upon one's perspective. Relative to a manufacturer like Commodore, Tandy is doing fine. Its net margins, over 6%, are far superior to Commodore's and not all that far below Apple Computer's 9% *(see table, opposite)*.

Relative to other specialty retailers, Tandy is also doing fine. Both Businessland and Computer Factory are losing money. Even well-run Circuit City nets less than 4% on sales.

Only in relation to its own past is Tandy currently doing not so well. In the first quarter of fiscal 1991, revenues climbed 11%, to almost $1.1 billion, against last year's $986 million. Net income, meanwhile, fell nearly 17%, to $52.2 million, or 65 cents a share, from $62.8 million, or 73 cents. Tandy stock has fallen from over 40 a share earlier this year to 24, substantially more than the total market.

The company claims the steepness of the earnings drop last quarter came mainly because of price cuts to clear slow-moving and discontinued inventory. Indeed, Radio Shack, which now calls itself "America's Technology Store," only recently installed a computerized point-of-sale inventory control system. Toys "R" Us, in contrast, had a computerized point-of-sale system in place in the early 1980s.

Danny Turner

Radio Shack President Bernard Appel
Fewer, more profitable stores.

Now, headquarters in Fort Worth knows more about the mix and timing of sales in individual stores. Before, each one carried pretty much the same inventory mix of Radio Shack's 3,200 retail items. What that meant was that an outlet on the Upper West Side of Manhattan carried the same assortment of tuning knobs, alligator clips and home antenna parts as a store in Provo, Utah, regardless of the needs of the neighborhood's customers. Today Radio Shack can target marine radio and navigation equipment to stores near the shore.

With the new inventory system in place, the buyers at headquarters will be able to buy less merchandise more often; they will know exactly what sells in which stores, and what doesn't. That should produce substantially lower inventory costs.

The new inventory system is another step in Roach's campaign to increase the productivity of each of Tandy's stores. In this quest he is ably assisted by Radio Shack's streetwise president, Bernard Appel, a 31-year veteran of the Radio Shack chain. "Bernie," says Roach, simply, "is the best buyer of consumer electronics in the world."

Since 1986 Roach and Appel have shrunk the number of Tandy stores. In that year the number of stores hit a peak of 9,251, but the company spun off more than 2,000 foreign stores to Fort Worth-based Intertan Inc. The year before, sales per store had averaged $238,000. At the end of fiscal 1990 there were 7,034 stores, with average sales of $41[illegible],000 per store. Over the last five years net profits have climbed from $190 million to nearly $300 million.

Yes, margins, both gross and net, have declined since the mid-1980s. But that reflects primarily the increase of other manufacturers' products in Tandy's sales mix and the expansion of the name brand stores. "Whether or not we ever go back to the kind of margins we had when Radio Shack was our only business and was opening a store a day is moot," says Roach. "We still have margins severalfold above most other retailers, and even in a bad year we've done well."

If Tandy is earning more money with fewer stores, it is ironic that Wall Street is down on Tandy in large measure because the stores are perceived as dull, if not downright shabby. Still, there is some reason for this perception. One-third of Tandy's stores still have the same old cluttered appearance they have had for decades.

But as part of their plan to increase per-store volume, Roach and Appel began a $200 million remodeling campaign in 1986. So far, two-thirds of Radio Shack's surviving stores have had face-lifts; computers and other high-ticket items are now neatly displayed at the front of the store, and the clutter has been m[illegible]d to the back. Appel has also intro[illegible]d more expensive items like the n[illegible]w high-end Optimus compact disc player and other stereo equipment and Realistic portable VHS camcorders.

The trick has been to upgrade the look of the stores without significantly reducing the accessible, folksy image. And so far the neater new look seems not to have intimidated anybody coming in for new batteries for a Walkman. Whether it will make the

chain more credible as a place to buy high-end stereo equipment and computers—and the new Tandy/Philips digital/analog tape recorder—remains to be seen.

Tandy is also looking for big sales at Radio Shack for a new product it introduced in July, the 1000 RL home computer. Priced at $700 to $1,300, it costs less than IBM's new entry into the home computer market, the PS/1. The 1000 RL features built-in software that the company says "uniquely becomes a member of the family" with programs tailored for every aspect of home life from compiling recipes to checkbook balancing.

The machine—which is IBM-compatible—is fast and remarkably easy to use. Store people have been trained to give a complete demonstration in about 15 minutes. If there is a big market for home computers, the 1000 RL should grab a profitable slice of it.

"People still talk about Radio Shack as junky," says Chuck Peddle, the entrepreneur who competed against Tandy, "but John Roach has definitely raised its image, and he's used the personal computer to do it."

Computer sales to business has never been one of Tandy's strongest suits. But here, too, Roach has been on the move. In 1989 Tandy acquired Grid Systems, a maker of sophisticated laptops and peripherals. The Grid Systems acquisition, and the development of interchangeable hard disks—which allow business people to carry their databases—should give it a boost. So should the erasable CD system that Tandy's researchers have been working on.

Last year, to gain a foothold in Europe, Tandy acquired the Victor and Micronic personal computer marketers from Sweden's Datatronic AB. Though no European computer maker dominates markets the way IBM does here, these companies give Tandy some good product lines to build on the continent.

Danny Turner

Tandy Chairman John Roach
"Even in a bad year we've done well."

What is John Roach's most difficult problem? From the outside, it would appear to be counseling patience on the part of some members of the Tandy family. The Tandy clan still owns roughly 3.5 million shares, just under 5% of the total outstanding. Some young heirs, including Alfred R. Tandy, Charles' nephew, and his step-grandson Matthew Upchurch, recently proposed that management let shareholders cast a nonbinding vote in the current proxy on whether the board should keep the poison pill the company instituted a few years ago. The implication, of course, is that the Tandy heirs wouldn't mind seeing their grandfather's company taken over by an outsider at a hefty premium.

Says heir Upchurch: "We're frustrated with the stock performance." (Management refused to list the referendum.)

But Roach, still only 52, has been through economic cycles and bear stock markets before. Rather than thinking of selling the company, he has been buying: Tandy has bought back over 10 million shares in the last two years at a cost of over $400 million, most of it borrowed. It is a strong way for Roach and his board to say they understand Tandy and its prospects much better than Wall Street does. ■

Everything is relative

Tandy does well in relation to other computer manufacturers and to consumer electronics retailers. Tandy's 6.2% net return on sales, for example, compares with 6.0% at IBM and 3.6% at Circuit City.

Company	Sales[1]	Net income[1] ($million)	Market value	Net profit margin[1]	5-yr compound annual sales growth	Recent price	Yield	Price/ earnings
IBM	$65,600	$3,900	$60,500	6.0%	8.5%	105½	4.6%	15
Apple	5,600	503	3,700	9.0	30	30¾	1.4	8
Tandy	4,500	280	1,900	6.2	14	23⅞	2.5	7
Compaq	3,200	357	4,000	11.2	45	46⅝	none	10
Commodore	887	2	239	0.2	2.5	7⅜	none	148
Circuit City	2,182[2]	79[2]	614	3.6	32	13⅜	0.7	8
Businessland	1,354	(23)	52	NM	52	1¼	none	NM
Highland Superstores	914[3]	(11)[3]	34	NM	27	1⅞	none	NM
MicroAge	556	6	34	1.0	30[4]	8¼	none	6
Computer Factory	388	(14)	24	NM	51	2¼	none	NM

[1]Trailing 12 months as of June 30, 1990. [2]Trailing 12 months as of May 31, 1990. [3]Trailing 12 months as of Apr. 30, 1990. [4]Four-year growth. NM: Not meaningful.

Sources: Value Line; Standard & Poor's.

Statistical Spotlight

If the U.S. economy is on the edge of an abyss, you wouldn't know it from earnings forecasts for the 30 Dow stocks.

Recovery in sight?

By Gilbert Steedley

THE Dow Jones industrial average may not be as complete as the Wilshire 5000 or the S&P 500, but it sure carries a lot of psychological weight for investors. What lurks ahead for these mostly blue-chip companies?

If you believe the forecasts for these companies, there won't be much of a recession next year. Analysts, following the downward movement in stock prices, have cut earnings forecasts recently, but still expect 1991 earnings gains for all but International Paper, Union Carbide and Woolworth.

The composite earnings of the Dow 30 (an unweighted sum adjusted by a historical split factor) are expected to come in at $258 next year. At a recent 2448 the index is selling for 9.5 times those hoped-for earnings. ■

Blue-chip outlook

A third of the Dow stocks are expected to show earnings declines for 1990. But analysts are forecasting increases for all but three in 1991. As a group, the Dow stocks sell for 9.5 times estimated 1991 earnings.

	Stock price				1990 estimate		1991 estimate			
Company	recent	52-week high	low	1989 EPS	EPS	6-month change	EPS	6-month change	P/E	Yield
Allied-Signal	25¼	38⅝	25¼	$3.39	$3.38	–3%	$3.50	–8%	7.2	7.1%
Aluminum Co of Amer	54⅜	79⅝	54	10.86	7.15	–12	7.96	–15	6.8	5.5
American Express	17⅞	39⅜	17⅞	2.70	0.78	–66	3.09	–7	5.8	5.1
American Tel & Tel	33⅜	50	29⅞	2.50	2.60	–10	2.65	–14	11.7	4.0
Bethlehem Steel	11	21⅜	11	4.34	0.97	–58	2.35	–43	4.7	3.6
Boeing	46¼	61¼	35½	1.96	4.04	4	5.05	6	9.1	2.2
Chevron	67⅛	81⅝	59⅝	4.24	5.50	19	5.94	14	11.3	4.6
Coca-Cola	43¾	48⅜	31	1.67	2.02	2	2.36	3	18.5	1.8
E I du Pont de Nemours	33⅛	42⅜	32⅜	3.60	3.47	–3	3.66	–5	9.1	4.8
Eastman Kodak	38⅛	49¼	36⅛	3.89	3.92	2	4.36	0	8.7	5.2
Exxon	47⅝	55⅛	43¼	3.66	3.91	2	4.40	4	10.8	5.0
General Electric	50⅞	75½	50¼	4.36	4.90	0	5.41	–3	9.4	3.7
General Motors	37	50½	35⅜	6.33	4.05	–21	4.17	–33	8.9	8.1
Goodyear Tire & Rubber	15½	54¾	15½	5.36	1.04	–71	1.89	–54	8.2	11.6
IBM	106	123⅛	93⅜	6.47	10.11	2	11.04	0	9.6	4.6
International Paper	48⅛	59¼	42¼	7.72	6.41	3	5.68	–2	8.5	3.5
McDonald's	25⅝	38½	25	1.95	2.21	0	2.48	–2	10.3	1.3
Merck & Co	78¼	91⅛	67	3.78	4.53	1	5.34	1	14.7	2.9
Minnesota Mining & Mfg	77⅞	91⅜	67¾	5.60	6.04	–1	6.60	–2	11.8	3.7
Navistar International	2⅜	4⅞	2¼	0.23	–0.05	NM	0.24	–59	9.9	—
Philip Morris	45⅞	51½	36	3.02	3.82	5	4.67	5	9.8	3.7
Primerica	18⅜	37¾	18⅜	2.85	3.29	–1	3.74	–3	5.0	2.1
Procter & Gamble	77⅝	91¼	58⅛	3.56	4.49A	4	5.14	4	15.1	2.3
Sears Roebuck	23½	44½	23½	4.15	3.65	–22	4.19	–22	5.6	8.5
Texaco	59¼	68½	49⅞	4.48	5.14	8	5.84	8	10.1	5.1
Union Carbide	15¾	28⅝	14⅛	4.48	2.35	–21	2.00	–12	7.9	6.3
United Technologies	45½	62½	40⅛	5.34	5.72	0	6.27	–2	7.3	4.0
USX	30⅞	39½	30⅛	3.25	3.00	8	3.38	6	9.1	4.5
Westinghouse Electric	25¼	39⅝	25¼	3.15	3.47	0	3.70	–3	7.0	5.4
F W Woolworth	25¼	36⅝	22⅞	2.36	2.75	–2	2.74	–13	9.2	4.1

A: Actual. NM: Not meaningful

Source: Institutional Brokers Estimate System, a service of Lynch, Jones & Ryan, via Lotus One Source

The Forbes Wall Street Review

By Eric S. Hardy

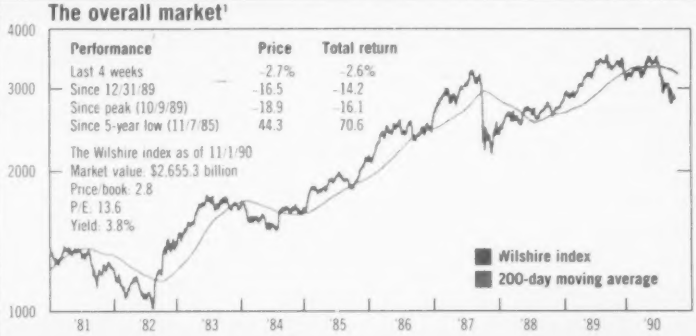
"There is one chance in six that the stock market will drop a lot more," says A. Michael Lipper, president of New York-based Lipper Analytical Services. Lipper thinks that stock prices should bottom out in the first quarter of 1991. What about the chances of a market turnaround? According to Lipper, one positive sign would be a drop in yields of long-term U.S. Treasurys.

Although the Dow industrials had more than a 120-point intraday trading range during the two weeks ended Nov. 2, the index finished the period almost unchanged. Meanwhile, the 6,000 stocks tracked by the Wilshire index were up a scant 0.2%; the secondary markets posted slight losses.

Computer Associates International, which trades at a third of its 1989 high, had the best two-week gain. It reported per-share net of 15 cents, a few cents more than analysts expected, after several disappointing quarters. Perhaps analysts overreact to surprises—positive or negative. The company's president, Anthony Wang, himself says: "To expect high-technology companies to come in quarter after quarter exactly in line with Wall Street expectations is ridiculous."

The worst-performing issue was troubled Unisys, which fell another 35%. During the third quarter, total debt at Unisys rose $300 million, to $4 billion. Another computer firm, Sun Microsystems, fell 30%.

The overall market[1]



The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Computer Associates Intl	7¼	26%	9	6,079	0.9
Topps	13⅜	25	14	1,558	1.6
US HealthCare	23	25	26	5,526	1.4
Square D Cos	42⅜	22	10	985	1.7
General Dynamics	23⅜	21	NM	1,052	1.3

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Unisys	2½	-35%	NM	14,482	1.7
Sun Microsystems	16	-30	13	18,889	1.3
CalMat	19⅛	-23	9	391	1.5
Maytag	10⅛	-22	8	3,215	1.3
State Street Boston	22⅛	-21	7	2,587	1.5

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	2,856.92	0.2%
Wilshire index 6,000 stocks, equal weighted	16.13	-0.4
Dow Jones industrials 30 stocks, divisor-adjusted price average	2,454.95	0.1
S&P 500 Capitalization weighted cross section, major stocks	307.02	0.4
NYSE Capitalization weighted, all listed common stocks	167.59	0.3
Amex Capitalization weighted total return: stocks, warrants	288.90	-1.0
Nasdaq Capitalization weighted, all issues except warrants	330.60	-1.0
Amex international market index Capitalization weighted, 50 largest ADRs	292.37	-5.2

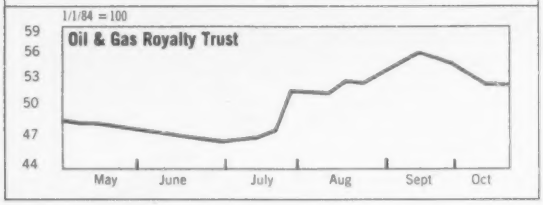
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	808.80	-3.6%
Institutional[5] Approximately 200 stocks with high institutional ownership	82.34	-3.6
Individual[5] Approximately 200 stocks with low institutional ownership	80.66	-2.2
Russell 2000 index 2000 stocks with small market values, capitalization weighted	118.91	-1.6
Gold[6] (composite quote of 6 major dealers)	$381.50	2.8
Yen[6] (per $U.S.)	130.50	4.9
Commodity index[6] (CRB futures index: 1967 = 100)	229.91	-0.5
Oil[6] (W Texas Intermediate)	$35.15	-4.5
T bills[6] (90 days)	7.03%	-22 basis points[7]
Broker loan rate[6]	9.50%	25 basis points[7]

Note: All data for periods ending 11/1/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Average daily volume over a 2-week period. [3]Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4]Morgan Stanley Capital International Perspective. [5]For period ending 10/31/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6]Knight-Ridder Financial Information. [7]A basis point is equal to one-hundredth of a percentage point. NM: Not meaningful.

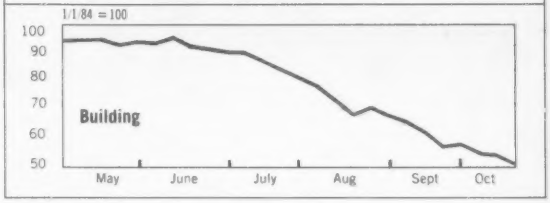
Industry Review

By Gilbert Steedley

Best industry last 6 months



Worst industry last 6 months



Oil and gas companies are leading the market. The Dow Jones industrial average is down 15% since late May, but over the last six months three energy groups—oil and gas royalty trusts, natural gas production and pipeline companies, and gas distributors—outperformed nearly 200 other industry groups. Los Angeles-based *Investor's Daily* tracks these industries with indexes in which each company, no matter its size, carries the same weight. Integrated oil and exploration companies were also near the top.

Home-building and apparel stocks are selling at rock-bottom price-to-earnings multiples and show the worst six-month performance. Computer manufacturers were also near the bottom of the pile, and are perhaps badly oversold *(see story, p. 257)*.

Leading Industries

Oil & gas royalty trusts

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Tide West Oil	2⅜	27	97	94	24
BP Prudhoe Bay	31	9	91	2	NM
Sabine Royalty Trust	11¾	7	84	61	8
Permian Basin Royalty Trust	4¾	–5	72	78	10
San Juan Basin Royalty Trust	6⅞	–5	68	94	19

Oil & gas production-pipeline

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Seagull Energy	32⅛	38%	97	96	15
Associated Natural Gas	23	36	96	90	35
Valero Energy	18¾	34	96	59	12
Tejas Gas	29¾	28	95	86	21
Western Gas Resources	11½	19	92	83	13

Gas distribution

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Nicor	43½	24%	93	83	11
Diversified Energies	35⅜	24	93	20	NM
Oneok	14⅞	18	91	59	12
Consolidated Natl Gas	47¾	13	90	55	24
Indiana Energy	22¼	13	92	62	11

Lagging Industries

Building

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Standard Pacific LP	5	–61%	7	45	2
Kaufman & Broad Home	5⅝	–52	11	47	3
Ryland Group	10	–50	17	65	3
Centex	20½	–47	23	59	5
PHM	6⅞	–24	41	52	4

Apparel-textiles

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Gitano Group	13⅝	–57%	8	96	5
VF Group	13¾	–54	12	48	6
Fruit of the Loom	7¼	–46	21	96	5
Crystal Brands	16⅜	–44	18	81	5
Oshkosh B'Gosh	18½	–42	17	53	9

Computers

Company	Recent price	6-month price change	Relative rank strength	EPS	P/E
Teradata	8¼	–66%	5	92	7
Atari	2¼	–63	4	47	32
Tandem Computer	10⅛	–58	9	53	9
Data General	4⅛	–55	11	34	NM
MIPS Computers	8¼	–52	18	32	21

Industries are ranked from 1 (highest) to 197 (lowest) based on the equal-weighted price performance of the companies within the industry group. Industry performance is based on 6-month equal-weighted price changes with most recent 3-month results weighted 70%. Relative strength is a stock's daily price change over the last 12 months. Relative EPS measures a company's earnings-per-share growth in the last 2 quarters, the last 5 years and the stability of that growth. For both measurements, stocks are compared with all other stocks and ranked on a scale of 0 to 99, with 99 the highest. NM: Not meaningful. All data for periods ending 10/26/90. Source: Investor's Daily, Los Angeles, Calif.

The happiest time in a man's life is when he is in hot pursuit of a dollar with a reasonable prospect of overtaking it.
JOSH BILLINGS

I have now reigned above 50 years in victory or peace, beloved by my subjects, dreaded by my enemies, respected by my allies. Riches and honors, power and pleasure, have awaited my call, nor does any earthly blessing seem to have been wanting to my felicity. In this situation I have diligently numbered the days of pure and genuine happiness that have fallen to my lot; they amount to 14. Oh man! place not thy-confidence in this world.
ABD-AL-RAHMAN

Human felicity is produced not so much by great pieces of good fortune that seldom happen as by little advantages that occur every day.
BENJAMIN FRANKLIN

Happiness: A way-station between too little and too much.
CHANNING POLLOCK

Happy is he who still loves something he loved in the nursery: He has not been broken in two by time; he is not two men, but one, and he has saved not only his soul but his life.
G.K. CHESTERTON

Happiness in this world, when it comes, comes incidentally. Make it the object of pursuit, and it leads us a wild-goose chase, and is never attained. Follow some other object, and very possibly we may find that we have caught happiness without dreaming of it.
NATHANIEL HAWTHORNE

What can be added to the happiness of a man who is in health, out of debt, and has a clear conscience?
ADAM SMITH

Thoughts
on the Business of Life

Listening to advice often accomplishes far more than heeding it.

At the heart of any good business is a chief executive officer with one.

Note to salary setters: Pay your people the least possible and you'll get from them the same.

Never hire someone who knows less than you do about what he's (or she's) hired to do.
MALCOLM FORBES

It is neither wealth nor splendor, but tranquillity and occupation, which give happiness.
THOMAS JEFFERSON

There is only one honest impulse at the bottom of Puritanism, and that is the impulse to punish the man with a superior capacity for happiness.
H.L. MENCKEN

There is no such thing as pure pleasure; some anxiety always goes with it.
OVID

Contempt for happiness is usually contempt for other people's happiness, and is an elegant disguise for hatred of the human race.
BERTRAND RUSSELL

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Money doesn't always bring happiness. People with ten million dollars are no happier than people with nine million dollars.
HOBART BROWN

No man is happy unless he believes he is.
PUBLILIUS SYRUS

When I think of how much you have meant to me all these years, it is almost more than I can do sometimes to keep from telling you so.
VERMONT HUSBAND'S COMPLIMENT

A Text . . .

Study to show thyself approved unto God, a workman that needeth not to be ashamed, rightly dividing the word of truth.
II TIMOTHY 3:15

Sent in by Ray Anderson, Davenport, Iowa. What's your favorite text? *The Forbes Scrapbook of Thoughts on the Business of Life* is presented to senders of texts used.

Are you so unobservant as not to have found out that sanity and happiness are an impossible combination?
MARK TWAIN

To describe happiness is to diminish it.
STENDHAL

The bird of paradise alights only upon the hand that does not grasp.
JOHN BERRY

If only we'd stop trying to be happy we'd have a pretty good time.
EDITH WHARTON